GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1654
ANSWERED ON:14.03.2005
DECONTROL OF SUGAR INDUSTRY
Munshiram Shri

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Planning Commission has sent any proposal to the Government recommending complete decontrol of sugarcane and sugar industry under the supervision of a regulatory authority;

(b) if so, the details thereof and the steps taken by the Government in this regard;

(c) whether the Government proposes to formulate a scheme to maintain a balanced system of Minimum Support Price (MSP) to safeguard the interest of both the farmers and sugar mills;

(d) if so, the details thereof;

(e) the steps being taken by the Government to reduce the gap between State Advised Price (SAP) and Statutory Minimum Price (SMP); and

(f) the steps being taken by the Government to check the shortage of sugar as a result of decontrol?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): No, Sir.

(c), (d) & (e): Based on the recommendation of CACP, Central Government fixes Statutory Minimum Price(SMP) of Sugarcane under Clause 3 of the Sugarcane(Control)Order, 1966 having regard to:-

(i) the cost of production of sugarcane;

(ii) the return to the grower from alternative crops and the general trend of prices of agricultural commodities;

(iii) the price at which sugar produced from sugarcane is sold by producers of sugar; and

(iv) the recovery of sugar from sugarcane.

The State Advised Price (SAP) is fixed by the State Governments solely at their discretion.

(f): The policy of partial decontrol of sugar continues to be in force, i.e. `release mechanism` and levy obligation on sugar factories continue as before.